

To: Lottery CEO's, IALS Members, Marketing Directors,
PR/Communications Directors

Public Gaming Research Institute Inc.'s

INTERNATIONAL MORNING REPORT

Your weekly supplement to
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RI RFP. The Rhode Island Lottery is issuing an RFP for Pull Tab tickets. RFPs will be available as of October 14, 2003. All requests are to be directed to: Gerald S. Aubin, Executive Director, 1425 Pontiac Avenue, Cranston, RI, 02920, 401-463-6500 (voice), 401-463-5669 (fax).

RECORD YEAR FOR DC. The D.C. Lottery reported record-setting sales of \$237.3 million in fiscal 2003, which ended on September 30. In addition to the big sales figures, the Lottery experienced a profit of approximately \$72 million, up from \$63 million in 2002. The Lottery credits new games, an increased player base and enthusiastic ticket agents.

KS CELEBRATES MILLION MILESTONE. The Kansas Lottery reached a historic milestone when the Lottery's Keno game reached the millionth drawing. The four-minute game reached the million milestone on October 8. To highlight this, the Lottery sponsored a weeklong promotion giving players who purchase a minimum \$10 single Keno ticket a free 10-spot Keno ticket with the Bull's-eye option.

OLGC OFFERS GM BONUS. All through the month of October, Ontario's LOTTO 6/49 is holding a series of bonus draws with new GM vehicles like the Cadillac CTS, Buick Rainier and Chevy Avalanche for prizes. After each regular LOTTO 6/49 draw during the month of October, the OLGC will draw five bonus sets of six numbers ranging from 1 to 49. Players that match any bonus set of six numbers win the GM vehicles. Bonus draw winners can choose from a GMC Envoy, Buick Rainier, Cadillac CTS, Chevy Avalanche or a Saab 9-5 sedan. (Bonus winners can also accept a cash option of \$45,000 instead of a vehicle.)

MA TO LAUNCH AD CAMPAIGN. Before the end of 2003 the Massachusetts Lottery will be launching its first advertising campaign in almost a decade. The \$5 million ad campaign is seeking to increase revenues from higher income and casual players by encouraging them to buy Mega Millions and Megabucks tickets. The Lottery recently ran a two-day radio ad test that saw

sales increase by 82 percent over the previous week. The Lottery is aiming to increase sales by \$25 million.

QUEBEC ADOPTS NEW VLT MEASURES. La Société des loteries vidéo du Québec (SLVQ) is adopting a number of new measures with regards to its VLT network. Within the next few weeks, the SLVQ intends to reduce the rate of commission paid to owners of bars equipped with VLTs, from 26% to 22%. In addition, SLVQ will implement a permanent program for the voluntary withdrawal of VLTs by bar owners in return for monetary compensation – a special commission equivalent to that received over the past 12 months to certain pre-determined bar owners who accept having units removed from their premises. In order to maintain the network at its current number of 14,300 units, the terminals removed from bars as part of this program will be installed at existing sites that have not yet reached the machine limits authorized by their permits. This will result in a further reduction of the number of sites offering video lotteries, which have diminished by 10% since 2001.

MN LAUNCHES NORTHSTAR CASH. On October 7 the Minnesota State Lottery launched its newest daily all-cash lotto game called Northstar Cash. The \$1 game operates on a 5:31 matrix and offers a \$25,000 starting jackpot that will grow until it is won. Players can purchase up to 14 draws at one time. Odds of winning a prize are approximately 1-in-6. The Lottery is running a Northstar Cash Player promotion to help launch the game. Players who make a \$5 Northstar Cash purchase (on one ticket) will receive an entry for a drawing to win one of three Ford Ranger XLTs.

XTRA IN MO. Missouri Lottery daily numbers players won't have to wait to see if their numbers are winners by using the Lottery's new "Xtra" feature, which begins on Oct. 12. For an extra 50 cents or \$1 per play, players can get a chance to win cash instantly and win that night with their daily game numbers. With the Xtra feature, players will receive three Xtra numbers on Pick 3 tickets, four Xtra numbers on Pick 4 tickets, or five Xtra numbers on SHOW ME 5 Paydown tickets. If any of the Xtra numbers match any of the numbers selected for the daily game, the player wins the prize amount printed next to the matched number. If a "\$\$" symbol appears on the ticket instead of an Xtra number, the player will automatically win the corresponding cash prize.

VACATION CASH. The Florida Lottery is partnering with Visit Florida in a scratch-off game that includes 50 Florida vacation packages. The \$2 game, Vacation Cash, allows for non-winning tickets to be entered in a second-chance drawing for 40 more vacations. The game also offers a top cash prize of \$10,000. Vacation packages include: Lago Mar Resort & Club Pillars at New River Sound in Fort Lauderdale; PGA National and Hilton Singer Island resorts in Palm Beach County; and the Boca Raton Resort & Club.

IA POWERBALL SUNDAY LAUNCHED, SCEL SOON TO FOLLOW. The "Powerbowl Sunday" promotion began in Iowa on October 5. The game offers six prize packages that include airfare, hotel accommodations and two tickets to the championship game on Feb. 1. In

addition, the packages offer a commemorative leather jacket and \$500 spending money. Each prize package is valued at \$28,000. Through November 29, Iowa Lottery players who make a \$5 Powerball purchase with a \$5 Power Play will automatically receive an entry form for the promotion. The South Carolina Education Lottery will be launching its own version of the game on October 20th, and will be giving away 15 trip packages.

FL SCHOOLS HIT JACKPOT. An unclaimed \$50 million Florida Lottery prize means that Florida's schools have hit the jackpot. Although unclaimed prizes usually supplement payouts of future games, the state (upon recommendation from the Lottery) decided to take this unusual opportunity to send \$30.1 million (the one-time cash payout value from the jackpot) to the state's 67 school districts.

POWERBALL TURNS ONE IN SC. In celebration of the one-year anniversary for Powerball in South Carolina, MUSL brought the Powerball drawing to the South Carolina State Fair on October 8 and 11. The drawing was conducted live on the fair's Grandstand.

ND ACCEPTING RETAILER APPLICATIONS. The North Dakota Lottery has made applications available to retailers who want to become agents for the Lottery. The number of available licenses will be determined in December, when a contract is negotiated with a vendor to install the state's lottery system. The Lottery is expecting to license 300 businesses. The application process requires a non-refundable \$50 processing fee. License applications can be downloaded from the Web site www.ag.state.nd.us, picked up from the Lottery Division on the 17th floor of the Capitol, or can be mailed by calling (701) 328-1574 or (800) 326-9240.

JAPANESE TICKETS TO SELL THROUGH ATMs. Japan's UFJ Bank is planning to sell four kinds of lottery tickets for local governments through its ATMs. The program is expected to start in mid-November, and will offer tickets at 1,700 ATMs in Japan's Kinki region.

NEW RUSSIAN LOTTERY. Russia will soon have a new state lottery, Lotereya Onlayn. It will be similar to the old Sportloto, and all profits will be used to promote mass sports.

REHAB LAUNCHES IRELAND INTERNET GAMES. Ireland's first Internet lottery games, offering big money prizes at the click of a mouse, were launched by Rehab in August. Earnings from the new games, available at www.rehablotteries.com will go specifically towards the development of Rehab's home-based and residential respite care programs for people with disabilities across the country. Jackpots of up to €10,000 are on offer from nine different games on the site, including scratch cards, bingo and keno. Stakes range from 25 cent to two euro per play and payment is by means of credit card. The technology required to create a secure lottery website has been provided by U.S. owned Lottery Network Services Ltd.

NEW INTERNET GAMES IN SWEDEN. Svenska Spel has launched its latest venture into the digital gaming

market. Swedes can now turn to the Internet to play the instant scratch card games popularly known in Sweden as Triss, Tia, Skrap-Bingo and Skrap-Pyramid. Three new bingo games, including classic bingo and pattern bingo have also been launched. Svenska Spel will begin to market its games nationally this week. All Swedish residents over 18 are allowed to participate in the games, which are accessible on Svenska Spel's web site, www.svenskaspel.se. Swedish gaming systems provider Boss Media AB developed the Internet games for Svenska Spel.

COMPANY ANNOUNCEMENTS

PARTNERTECH TEAMS WITH ESSNET. PartnerTech has signed a collaboration agreement with EssNet, which involves the production and distribution of PC-based gaming terminals. The agreement consists of three different orders worth a total of around SEK 65 million. Initial deliveries will begin in 2003. Most of the agreement is related to the large order for gaming terminals that EssNet has received from Norsk Tipping, the Norwegian state lottery with sales of some 9.7 billion Norwegian kroner per year.

LOTTERY PEOPLE

The Kentucky Lottery Corporation announced the selection of **Chip Polston** as the KLC's new Vice President of Communications, Government and Public Relations. Polston's history with the KLC goes back more than a decade. He was hired as a host for the nightly televised drawings in 1993, and has spent time during the past ten years representing the Lottery at public appearances and functions throughout the state. He has also hosted the nationally televised POWERBALL drawing several times. While his work for the KLC was part-time, Polston's full-time job has been with the Office of Communications and Marketing at the University of Louisville, where he has served as broadcast communications specialist for 14 years. Outside of the university, he has worked as a freelance writer and producer for a number of corporate clients and a variety of television stations. He has also hosted the KET program "Mixed Media" for the past three seasons. Polston also worked as a reporter and anchor for several radio and television stations in Bowling Green, Ky.

LOTTERY JOBS

MERCHANDISING COORDINATOR. The Washington Lottery is seeking a Merchandising Coordinator to implement merchandising program to increase visibility of Lottery products at retail level. Bachelor's Degree in marketing, business, or allied field and four years of applicable experience. \$43,344 - \$54,744 annually, DOQ, plus excellent benefits package. For further information, visit http://walottery.com/a_employment.asp or call (360) 664-4814. To apply, send letter of interest and resume to the Washington Lottery, PO Box 43005, Olympia, WA 98504-3005, or email to Applications@walottery.com no later than October 24, 2003. AA/EOE.

Submit material for next week's Morning Report by Wednesday of this week to Toddpg2@aol.com